

SOUTH AFRICAN WEATHER SERVICE

2023/2024

FIRST QUARTER PERFORMANCE REPORT

“South African Weather-related Solutions for everyone, everyday”

**Mr Ishaam Abader
Chief Executive Officer**

ACRONYMS

ARS	: Automatic Rainfall Stations
AWS	: Automatic Weather Stations
B-BBEE	: Broad-Based Black Economic Empowerment
FPZA41	: National Weather Forecast
ICT	: Information and Communications Technology
LTE	: Long-Term Evolution
TAF	: Terminal Aerodrome Forecast
SAAQIS	: South African Air Quality Information Systems
SAWS	: South African Weather Service
SOLAS	: Safety of Life at Sea
TETA	: Transport Education Training Authority
WMO	: World Meteorological Organization



SUMMARY OF FIRST QUARTER PERFORMANCE

Programmes	Number of targets	On Target	Off Target
Programme 1: Weather and Climate Services	4	4	0
Programme 2: Research and Innovation	3	3	0
Programme 3: Infrastructure and Information Systems	8	1	7
Programme 4: Administration (incl. Corporate and Regulatory Services)	9	8	1
Total	24	16	8
Percentage		66,67%	33,33%



PROGRAMME 1: WEATHER AND CLIMATE SERVICES

PROGRAMME 1: WEATHER AND CLIMATE SERVICES

SUB-PROGRAMME 1.1: WARNINGS, ALERTS AND ADVISORIES

Outcome: Lives and property protected against meteorological-related risks			
Output: Meteorological related solutions provided to meet user needs			
Output Indicator	2023/24 Annual Target	1st Quarter Target	1st Quarter Progress and Analysis
Percentage availability of national weather bulletins (FPZA41)	98% availability of national weather forecast (FPZA41)	98% availability of national weather forecast (FPZA41)	Achieved <ul style="list-style-type: none"> 99% availability of national weather forecast (FPZA41)
Percentage accuracy of aerodrome warnings	98% accuracy of aerodrome warnings	98% accuracy of aerodrome warnings	Achieved <ul style="list-style-type: none"> 99% accuracy of aerodrome warnings <p>Reason for overachievement: Dry weather season and Numerical Weather Prediction models contributed to high accuracy.</p>

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 1: WEATHER AND CLIMATE SERVICES

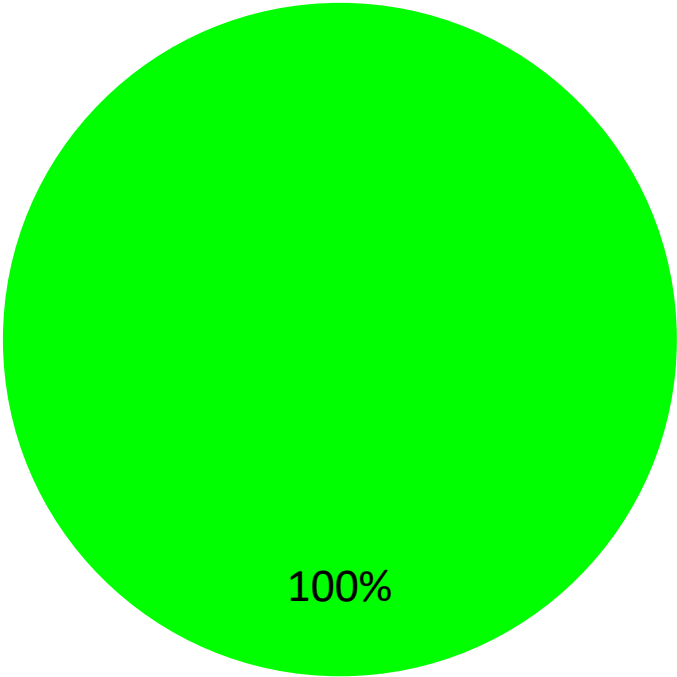
SUB-PROGRAMME 1.1: WARNINGS, ALERTS AND ADVISORIES

Outcome: Lives and property protected against meteorological-related risks			
Output: Meteorological related solutions provided to meet user needs			
Output Indicator	2023/24 Annual Target	1st Quarter Target	1st Quarter Progress and Analysis
Percentage accuracy of Terminal Aerodrome Forecast	92% accuracy of Terminal Aerodrome Forecast	92% accuracy of Terminal Aerodrome Forecast	Achieved <ul style="list-style-type: none"> 95% accuracy of Terminal Aerodrome Forecast
Percentage availability of marine products (SOLAS)	95% availability of marine products (SOLAS)	95% availability of marine products (SOLAS)	Achieved <ul style="list-style-type: none"> 99% availability of marine products (SOLAS) <p>Reason for overachievement: Less active weather resulted in quicker production times.</p>

■ = On target
 ■ = Off target
 ■ = No milestones

OVERALL SUMMARY OF PROGRAMME 1 PERFORMANCE

% On target	% Off target	% No milestones
100% (4/4)	0% (0/4)	0% (0/4)





PROGRAMME 2: RESEARCH AND INNOVATION

PROGRAMME 2: RESEARCH AND INNOVATION

SUB-PROGRAMME 2.1: RESEARCH

Outcome: Lives and property protected against meteorological-related risks			
Output: Enhanced meteorological-related body of knowledge			
Output Indicator	2023/24 Annual Target	1st Quarter Target	1st Quarter Progress and Analysis
Number of research outputs	30 research outputs	8 research outputs	Achieved • 9 research outputs Reason for overachievement: Online publication process results in quicker processing.

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 2: RESEARCH AND INNOVATION

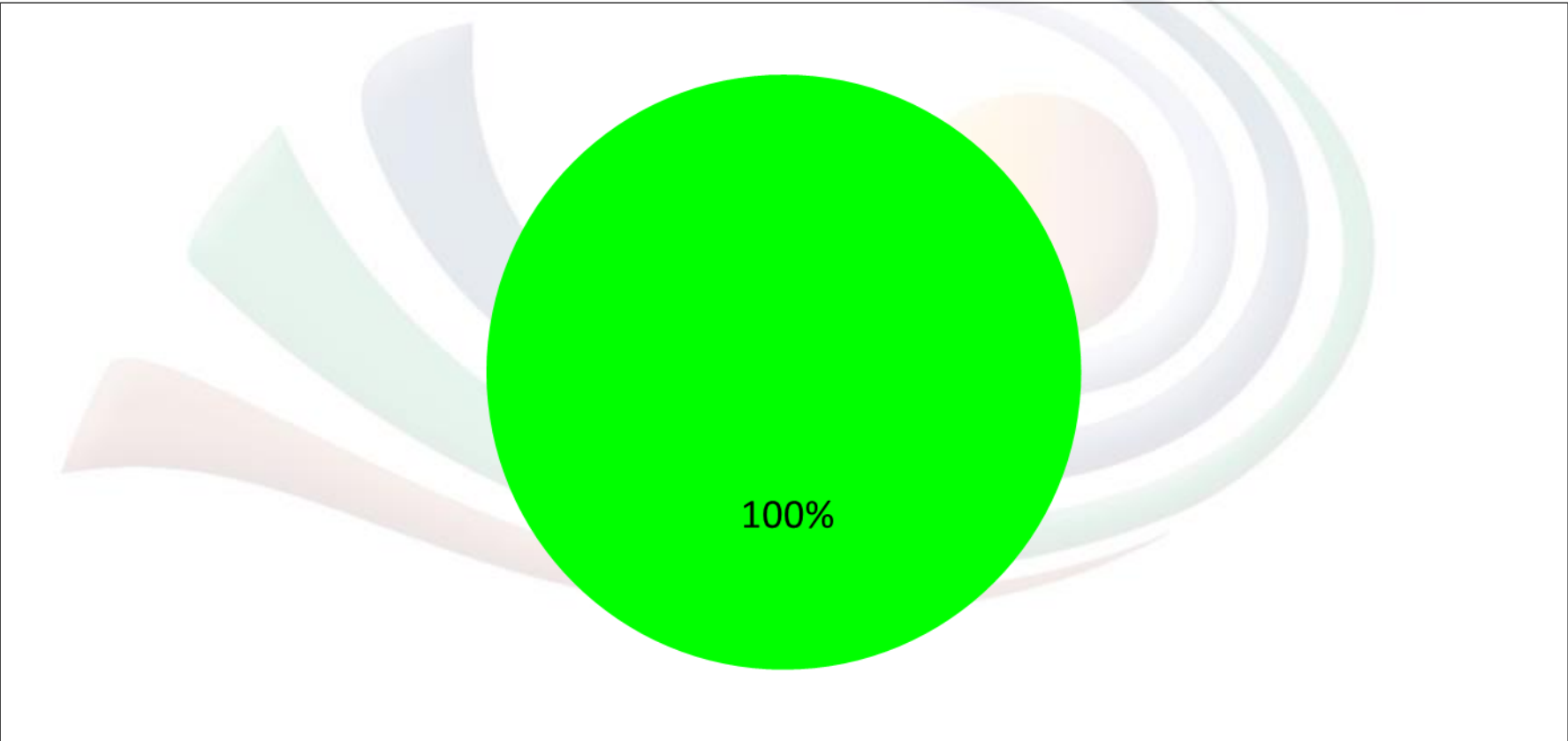
SUB-PROGRAMME 2.2: SOLUTION DEVELOPMENT

Outcome: Lives and property protected against meteorological-related risks			
Output: Enhanced meteorological-related body of knowledge			
Output Indicator	2023/24 Annual Target	1st Quarter Target	1st Quarter Progress and Analysis
Number of new or enhanced climate solutions for climate-sensitive sectors signed-off	1 new or enhanced climate solution for climate-sensitive sectors signed-off	Structure of 1 new or enhanced climate solution for climate-sensitive sectors finalised	Achieved <ul style="list-style-type: none"> Structure of 1 new or enhanced climate solution for climate-sensitive sectors finalised (Regional climate for Limpopo)
Number of new or enhanced non-climate-specific solutions signed-off	4 new or enhanced non-climate-specific solutions signed-off	Needs analysis for new or enhanced non-climate-specific solutions completed	Achieved <ul style="list-style-type: none"> Needs analysis for new or enhanced non-climate-specific solutions completed

■ = On target
 ■ = Off target
 ■ = No milestones

OVERALL SUMMARY OF PROGRAMME 2 PERFORMANCE

% On target	% Off target	% No milestones
100% (3/3)	0% (0/3)	0% (0/3)





PROGRAMME 3: INFRASTRUCTURE AND INFORMATION SYSTEMS

PROGRAMME 3: INFRASTRUCTURE AND INFORMATION SYSTEMS

SUB-PROGRAMME 3.1: OPTIMAL MANAGEMENT OF INFRASTRUCTURE

Outcome: Lives and property protected against meteorological-related risks			
Output: Optimal core technological capability			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Percentage availability of Automatic Weather Stations infrastructure	85% availability of Automatic Weather Stations infrastructure	85% availability of Automatic Weather Stations infrastructure	<p>Not achieved</p> <ul style="list-style-type: none"> 80% availability of Automatic Weather Stations Infrastructure <p>Challenges: Power outages and cable theft. Network communication systems failure and software incompatibility.</p> <p>Corrective measures: Procurement of LTE modems and collaboration with ICT to enhance communication. Replacement spares are on procurement plans.</p>
Percentage availability of Automatic Rainfall Stations infrastructure	80% availability of Automatic Rainfall Stations infrastructure	80% availability of Automatic Rainfall Stations infrastructure	<p>Not achieved</p> <ul style="list-style-type: none"> 73% availability of Automatic Rainfall Stations infrastructure <p>Challenges: Network communication systems failure and software incompatibility.</p> <p>Corrective measures: Procurement of LTE modems and collaboration with ICT to enhance communication. Replacement spares are on procurement plans.</p>



= On target



= Off target



= No milestones

PROGRAMME 3: INFRASTRUCTURE AND INFORMATION SYSTEMS

SUB-PROGRAMME 3.1: OPTIMAL MANAGEMENT OF INFRASTRUCTURE

Outcome: Lives and property protected against meteorological-related risks			
Output: Optimal core technological capability			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Percentage availability of Global Atmospheric Watch infrastructure	80% availability of Global Atmospheric Watch infrastructure	80% availability of Global Atmospheric Watch infrastructure	<p>Not achieved</p> <ul style="list-style-type: none"> 68% availability of Global Atmospheric Watch infrastructure <p>Challenges: UV-Biometer network experienced logger damages and failures which resulted in loss of data.</p> <p>Corrective measures: Procurement of loggers commenced in June to replace old loggers in the UV-Biometer network.</p>
Percentage availability of RADAR infrastructure	75% availability of RADAR infrastructure	75% availability of RADAR infrastructure	<p>Not achieved</p> <ul style="list-style-type: none"> 28% availability of RADAR infrastructure (28,19% + 29,83% + 26,59%) ÷ 3 = 28,20% <p>Challenges: Load shedding and power outages affected availability of RADARs. Difficulty to replace old C-band parts as these are obsolete.</p> <p>Corrective actions: Implementation of the RADAR Infrastructure Sustainability Plan for improved infrastructure performance.</p>

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 3: INFRASTRUCTURE AND INFORMATION SYSTEMS

SUB-PROGRAMME 3.1: OPTIMAL MANAGEMENT OF INFRASTRUCTURE

Outcome: Lives and property protected against meteorological-related risks			
Output: Optimal core technological capability			
Output Indicator	2023/24 Annual Target	1st Quarter Target	1st Quarter Progress and Analysis
Percentage availability of Lightning Detection Network infrastructure	90% availability of Lightning Detection Network infrastructure	90% availability of Lightning Detection Network infrastructure	<p>Not achieved</p> <ul style="list-style-type: none"> 82% availability of Lightning Detection Network infrastructure <p>Challenges: Load shedding and system-related failures affecting the network.</p> <p>Corrective measures: System failures are addressed as they happen, and system upgrades implemented where needed on an urgent basis. Implementation of Infrastructure Sustainability Plan initiatives.</p>
Percentage availability of the South African Air Quality Information System	95% availability of the South African Air Quality Information System	95% availability of the South African Air Quality Information System	<p>Achieved</p> <ul style="list-style-type: none"> 99% availability of the South African Air Quality Information System <p>Reason for overachievement: Minimal downtime of the SAAQIS website.</p>

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 3: INFRASTRUCTURE AND INFORMATION SYSTEMS

SUB-PROGRAMME 3.2: QUALITY DATA

Outcome: Lives and property protected against meteorological-related risks			
Output: Optimal core technological capability			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Percentage of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements	80% of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements	80% of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements	<p>Not achieved</p> <ul style="list-style-type: none"> 47% of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements <p>Challenges: Loadshedding and electricity challenges resulting in data loss as well as instability of instruments.</p> <p>Corrective measures: 8kva, 4-6-hours lithium-ion battery backup solution for stations that can be charged via solar and electricity. Procurement process for pilot stations was concluded. Instrument recapitalisation is ongoing throughout the monitoring networks.</p>

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 3: INFRASTRUCTURE AND INFORMATION SYSTEMS

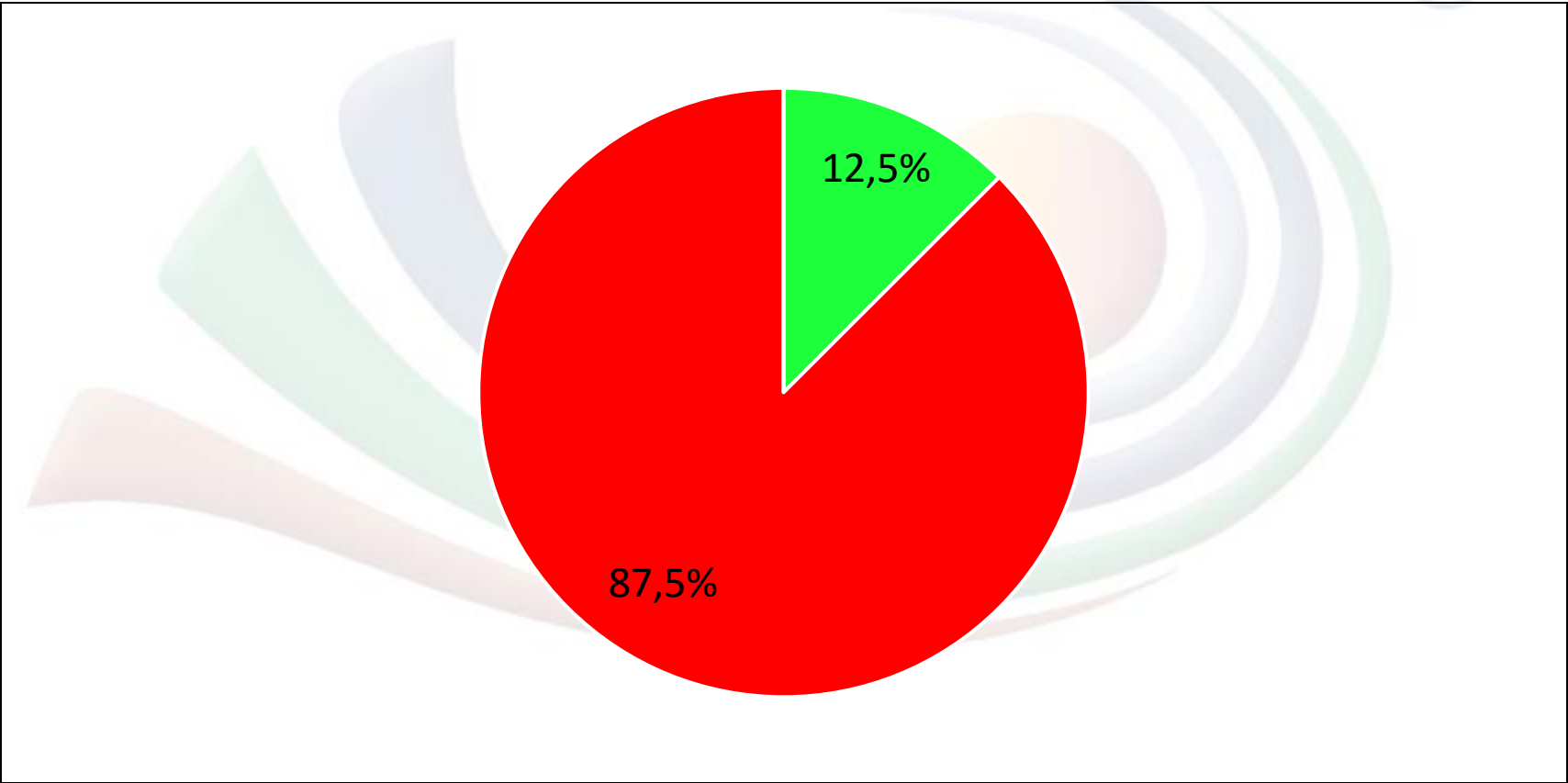
SUB-PROGRAMME 3.2: QUALITY DATA

Outcome: Lives and property protected against meteorological-related risks			
Output: Optimal core technological capability			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Percentage of AWS & ARS climate data available on National Climate Database meeting minimum data requirements	85% of AWS & ARS climate data available on National Climate Database meeting minimum data requirements	85% of AWS & ARS climate data available on National Climate Database meeting minimum data requirements	<p>Not achieved</p> <ul style="list-style-type: none"> 83% of AWS & ARS climate data available on National Climate Database meeting minimum data requirements <p>Challenges: Data communication problems between the Regional Officers and the climate service database, resulting in some of the data not reflecting in the main database.</p> <p>Corrective measures: Engage with Regional Offices and ICT department to address the data communication problems.</p>

■ = On target
 ■ = Off target
 ■ = No milestones

OVERALL SUMMARY OF PROGRAMME 3 PERFORMANCE

% On target	% Off target	% No milestones
12,5% (1/8)	87,5% (7/8)	0% (0/8)





PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

SUB-PROGRAMME 4.1: SOUND CORPORATE GOVERNANCE

Outcome: Organisational Sustainability			
Output: Internal excellence achieved within the organisation			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Percentage of local expenditure on affirmative procurement (Level 1 to 4)	75% of local expenditure on affirmative procurement (Level 1 to 4)	75% of local expenditure on affirmative procurement (Level 1 to 4)	<p>Achieved</p> <ul style="list-style-type: none"> 93% of local expenditure on affirmative procurement (Level 1 to 4) <p>Reason for overachievement: Intentional targeting of Level 1-4 B-BBEE suppliers for local affirmative procurement for contribution towards improvement of SAWS' B-BBEE Level.</p>
Level of B-BBEE Rating	Level of B-BBEE Rating	N/A	

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

SUB-PROGRAMME 4.1: SOUND CORPORATE GOVERNANCE

Outcome: Organisational Sustainability			
Output: Internal excellence achieved within the organisation			
Output indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Unregulated commercial revenue generated	R30 510 000 unregulated commercial revenue generated	R7 627 500 unregulated commercial revenue generated	<p>Not achieved</p> <ul style="list-style-type: none"> • R5 140 387 unregulated commercial revenue generated <p>Challenges: Commercial partners' revenue share below budget due to forecast products linked to the inadequate uptime of RADARs. Slow implementation of the Air Quality Station Maintenance tenders.</p> <p>Corrective actions: Implementation of mitigation strategies to address the infrastructure and Air Quality challenges respectively.</p>
External audit opinion	Unqualified external audit opinion with no material findings	N/A	

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

SUB-PROGRAMME 4.2: ADEQUATE, APPROPRIATELY SKILLED, TRANSFORMED AND DIVERSE WORKFORCE

Outcome: Organisational Sustainability			
Output: Internal excellence achieved within the organisation			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Percentage of attrition rate	≤8% attrition rate	≤8% attrition rate	Achieved • 1,68% attrition rate
Percentage of Workplace Skills Plan targets met	80% Workplace Skills Plan targets met	Develop Workplace Skills Plan and submit to TETA	Achieved • Workplace Skills Plan developed and submitted to TETA
Percentage compliance to Employment Equity on women in management	42% compliance to Employment Equity on women in management	42% compliance to Employment Equity on women in management	Achieved • 42,97% Women in Management
Percentage compliance to Employment Equity on persons living with disabilities	2% compliance to Employment Equity on persons living with disabilities	2% compliance to Employment Equity on persons living with disabilities	Achieved • 2,97% Persons Living with Disabilities Reason for overachievement: Employees living with disabilities were retained from the previous financial year and were not impacted by attrition.

= On target
 = Off target
 = No milestones

PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

SUB-PROGRAMME 4.2: ADEQUATE, APPROPRIATELY SKILLED, TRANSFORMED AND DIVERSE WORKFORCE

Outcome: Organisational Sustainability			
Output: Internal excellence achieved within the organisation			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Number of youths appointed for internships and learnerships as at the end of the year	10 youths appointed for internships and learnerships as at the end of the year	N/A	
Number of placements in work-integrated learning as at the end of the year	8 placements in work-integrated learning as at the end of the year	N/A	

■ = On target
 ■ = Off target
 ■ = No milestones

PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

SUB-PROGRAMME 4.3: BRAND POSITIONING AND STAKEHOLDER NETWORK DEVELOPMENT

Outcome: Organisational Sustainability			
Output: Internal excellence achieved within the organisation			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Number of positioning and profiling programmes conducted locally and internationally	20 positioning and profiling programmes conducted locally and internationally	6 positioning and profiling programmes conducted locally and internationally	<p>Achieved</p> <ul style="list-style-type: none"> • 14 positioning and profiling programmes conducted locally and internationally <p>Reason for overachievement: Due to numerous severe weather events occurring during the period under review. Increased activities building up to the WMO Congress where the SAWS aimed to regain its seat in the Executive Council.</p>
Number of public awareness programmes conducted	27 public awareness programmes conducted	8 public awareness programmes conducted	<p>Achieved</p> <ul style="list-style-type: none"> • 10 public awareness programmes conducted <p>Reason for overachievement: Increased invitations from various stakeholders were honoured, as well as more stakeholder relations activities executed by Regional Offices.</p>

= On target
 = Off target
 = No milestones

PROGRAMME 4: ADMINISTRATION (INCLUDING CORPORATE AND REGULATORY SERVICES)

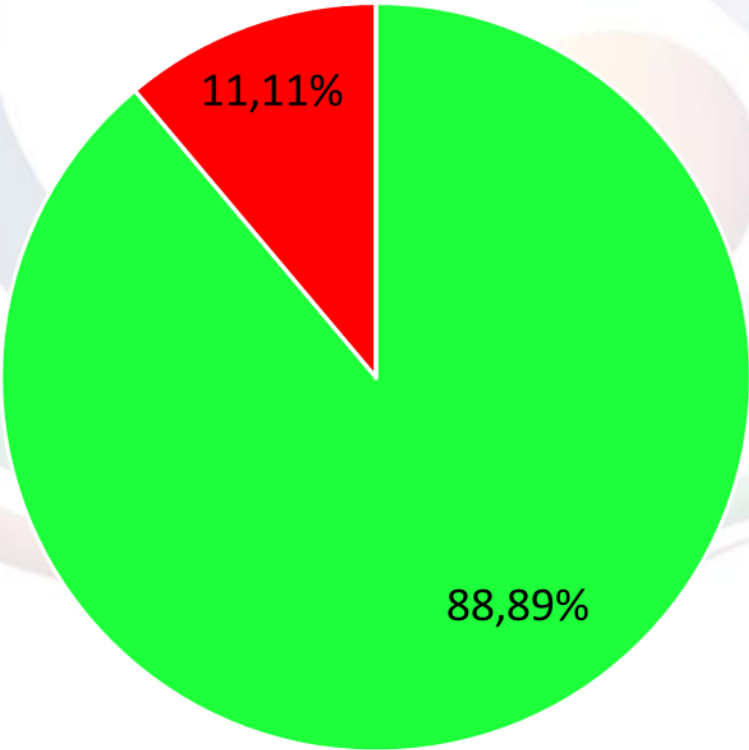
SUB-PROGRAMME 4.3: BRAND POSITIONING AND STAKEHOLDER NETWORK DEVELOPMENT

Outcome: Organisational Sustainability			
Output: Internal excellence achieved within the organisation			
Output Indicator	2023/24 Annual Target	1 st Quarter Target	1 st Quarter Progress and Analysis
Number of collaborations through partnerships implemented locally and internationally	12 collaborations through partnerships implemented locally and internationally	4 collaborations through partnerships implemented locally and internationally	Achieved <ul style="list-style-type: none"> 5 Collaborations through partnerships implemented locally and internationally

= On target
 = Off target
 = No milestones

OVERALL SUMMARY OF PROGRAMME 4 PERFORMANCE

% On target	% Off target	% No milestones
88,89% (8/9)	11,11% (1/9)	30,77% (4/13)



A large, decorative graphic composed of several overlapping, curved lines in shades of green, blue, and orange, resembling a stylized eye or a wave. A dark blue horizontal bar is overlaid across the middle of this graphic.

FINANCIAL REPORT AS AT END OF JUNE 2023

FINANCIAL REPORT

SUMMARY OF THE STATEMENT OF FINANCIAL PERFORMANCE

Description	2023/24 FULL YEAR Budget R	2023/24 YTD Budget R	2023/24 YTD Actual R	2023/24 YTD Budget Variance R	2023/24 YTD Budget Variance %	2023/24 FULL YEAR Forecast R	2022/23 FULL YEAR Actuals R
Total Revenue	692 744 000	130 887 580	132 136 194	1 248 613	0,95%	692 744 000	551 558 556
Revenue from exchange transactions	142 201 000	35 696 080	39 916 849	4 220 768	12%	142 201 000	155 623 393
Commercial Revenue	138 951 000	34 737 747	37 034 588	2 296 841	6,61%	138 951 000	134 852 125
Other Income	450 000	258 333	301 330	42 997	16,64%	450 000	15 615 735
Interest received - Investment	2 800 000	700 000	2 580 930	1 880 930	268,70%	2 800 000	5 155 533
Revenue from non exchange transactions	550 543 000	95 191 500	92 219 345	(2 972 155)	-3%	550 543 000	395 935 164
Government grant - Operational expenditure	336 856 000	84 216 500	84 216 500	-	0%	336 856 000	337 029 000
Government grant - Conditional grant	191 437 000	5 600 000	5 953 358	353 358	6,31%	191 437 000	47 683 725
Contributions and donations	22 250 000	5 375 000	2 049 487	(3 325 513)	-61,87%	22 250 000	11 222 439
Total Expenditure	(501 307 000)	(111 105 816)	(109 752 848)	1 352 968	-1,22%	(501 307 000)	(460 701 614)
Administrative Expenditure	(13 792 825)	(2 449 250)	(1 907 296)	541 954	-22,13%	(13 792 825)	(11 397 548)
Compensation of Employees	(307 493 000)	(71 053 304)	(70 621 150)	432 153	-0,61%	(307 493 000)	(286 521 036)
Impairment of receivables	-	-	(83 385)	(83 385)	0%	-	-
Bad debts written off	-	-	-	-	0%	-	(13 384 652)
Other Operating Expenditure	(180 021 175)	(37 603 263)	(37 141 017)	462 246	-1,23%	(180 021 175)	(149 398 378)
Operating Surplus/(Deficit) (before depreciation and amortisation)	191 437 000	19 781 764	22 383 345	2 601 582	13,15%	191 437 000	90 856 942
Depreciation	(38 950 456)	(8 337 625)	(8 138 818)	198 807	-2,38%	(38 950 456)	(29 990 145)
Amortisation	(3 353 544)	(838 386)	(448 198)	390 188	-46,54%	(3 353 544)	(2 456 044)
Impairment of assets	-	-	-	-	0%	-	(4 763 497)
(Loss) / Gain on foreign exchange	-	-	1 403 873	1 403 873	0%	-	(2 391 050)
P/L Sale Of Fixed Assets	-	-	-	-	0%	-	469 099
Gains on Revaluations	-	-	-	-	0%	-	(13 494 606)
Actuarial (loss)/gain	-	-	-	-	0%	-	367 000
Capital Expenditure	(149 133 000)	(10 605 753)	(5 953 358)	4 652 395	-43,87%	(149 133 000)	-
Surplus/(Deficit) for the Period	-	-	9 246 844	9 246 845	100%	-	38 597 699

ACTUAL REVENUE VERSUS BUDGET AND PRIOR YEAR

Description	2023/24 FULL YEAR Budget R	2023/24 YTD Budget R	2023/24 YTD Actual R	2023/24 YTD Budget Variance R	2023/24 YTD Budget Variance %	2023/24 FULL YEAR Forecast R	2022/23 FULL YEAR Actuals R
Revenue							
Government Grant - Operational Expenditure	316 490 000	79 125 000	79 125 000	-	0,00%	316 490 000	316 740 000
Government Grant - Air-Quality	20 366 000	5 091 500	5 091 500	-	0,00%	20 366 000	20 289 000
Government Grant - Capital Expenditure	191 437 000	5 600 000	5 953 358	353 358	6,31%	191 437 000	47 683 725
Teta Seta Grant	750 000	187 500	147 861	(39 639)	-21,14%	750 000	1 433 727
Donor Funds	21 500 000	5 375 000	2 049 487	(3 325 513)	-61,87%	21 500 000	11 222 439
Total Commercial Revenue	138 951 000	34 737 747	37 034 588	2 296 841	6,61%	138 951 000	134 852 124
Statutory Commercial - Aviation	108 441 000	27 110 250	31 894 202	4 783 952	17,65%	108 441 000	108 805 418
Non-statutory Commercial	30 510 000	7 627 497	5 140 387	(2 487 110)	-32,61%	30 510 000	26 046 707
Instruments Rental & Maintenance	1 800 000	450 000	689 452	239 452	53,21%	1 800 000	1 667 987
Information Fees	3 580 000	894 999	746 886	(148 113)	-16,55%	3 580 000	4 732 691
Commercial Partners	10 680 000	2 670 000	1 483 482	(1 186 518)	-44,44%	10 680 000	8 053 596
Forecast Sales	4 000 000	999 999	837 275	(162 724)	-16,27%	4 000 000	3 353 946
LDN Sales	5 100 000	1 275 000	1 203 026	(71 974)	-5,64%	5 100 000	5 406 401
Air Quality Sales	2 500 000	624 999	52 739	(572 260)	-91,56%	2 500 000	628 629
Regional Training Centre	600 000	150 000	52 500	(97 500)	-65,00%	600 000	759 122
Selling of Instruments	1 500 000	375 000	-	(375 000)	-100,00%	1 500 000	600 774
Advisory & Consulting	750 000	187 500	75 027	(112 473)	-59,99%	750 000	843 561
Other Revenue	3 250 000	770 833	2 734 399	1 963 566	254,73%	3 250 000	19 337 541
Interest Received from Debtors	200 000	50 000	86 227	36 227	72,45%	200 000	106 760
Income from Investments	2 800 000	700 000	2 580 930	1 880 930	268,70%	2 800 000	5 155 533
Other Income	250 000	20 833	67 242	46 409	222,76%	250 000	14 075 248
Total Revenue	692 744 000	130 887 580	132 136 194	1 248 613	0,95%	692 744 000	551 558 556

SUMMARY OF EXPENDITURE

- The **Total Expenditure** incurred for the period (**excluding depreciation and amortization**) amounts to R109,75m which is 1,22% below the year-to-date budget of R111,11m.
- **Administrative Expenditure** for the period amounts to R7,31m and is below the budget of R10,42m by 29,90%. The major differences are explained below:
 - ❖ **Selling and Marketing and Advertising:** There was no spending on this line in this quarter.
 - ❖ **Board Remuneration:** There was no spending during this quarter. Claims for board meetings held in this period were submitted late for processing and will be paid in the next quarter.
- **Operating Expenditure** actual spending amounts to R37,14m which is 1,23% below the budget of R37,60m. Details of the major variances are explained below:
 - ❖ **Electricity and Power Generation:** The underspending of R51,38k against the budget of R1,64m was due to the continuing staff rotation.
 - ❖ **General Projects:** There was an underspending of R144k against the budget of R1,5m. These costs will increase in the next quarter as service providers were appointed in this quarter under review for different projects.
 - ❖ **Rental and Subscription:** The underspending of R54k against the budget of R7,45m was due to savings on lease of equipment, rental of photocopiers and gas cylinders.
- **Compensation of Employees** for the period amounts to R70,62m and is 0,61% (R432k) below the budget of R71,05m. This was due to vacant positions because of resignations and late appointments.
- **An operating surplus of R22,38m** before depreciation and amortization and surplus of **R9,25m** after depreciation, amortization, and capital expenditure was realised for the period.



**End.
Thank you!**